

THE COMPANIES ACT 1985

SPECIAL RESOLUTIONS



- of -

A handwritten signature in black ink.

PEACOCK'S STORES LIMITED

(the "Company")

On }<sup>12</sup> April 1997 the following resolutions were duly passed as Special Resolutions by means of written resolutions signed by all the members of the Company entitled to vote at general meetings of the Company:-

SPECIAL RESOLUTIONS

- 1 THAT, subject to compliance with Sections 155-158 of the Companies Act 1985 ("the Act"), and noting that all the members entitled to vote have had supplied to them and have inspected the statutory declarations made by the directors of the Company today under section 155(6) of the Act (with the reports from the Company's auditors attached), the members of the Company hereby:
  - 1.1 approve the terms of, the arrangements contemplated by, and the execution, delivery and performance by the Company and its subsidiaries Milletts (Camping and Countrywear) Limited, John Jones (Ago Wear) Limited, Dorsman Estates Co. Limited and MJB Properties (Redbourn) Limited (the "Subsidiaries") of a guarantee and indemnity and a group debenture (the "Guarantee" and the "Debenture" respectively) in favour of The Governor and Company of the Bank of Scotland as security trustee ("the Security Trustee") pursuant to which the Company and each of the Subsidiaries, inter alia, would:-
    - 1.1.1 covenant with the Security Trustee that it will pay and discharge all monies and liabilities (whether actual or contingent, present and/or future) for the time being due, owing or incurred by Peacock Group Limited ("PGL") and/or the Company and/or any other subsidiary of PGL (together the "Group Companies") under or pursuant to:-
      - 1.1.1.1 an agreement between PGL and the Company (inter alia) as Borrowers (1), The Governor and Company of the Bank of Scotland and certain other banks as defined therein ("the Banks") (2) and The Governor and Company of the Bank of Scotland as

facility agent (the "Facility Agent") and as Security Trustee (3) ("the Credit Agreement") providing for a secured senior term loan facility of £20,360,000 (for the purpose of facilitating the acquisition of the issued share capital of the Company (the "Acquisition")), a capital expenditure facility of £9,000,000, a revolving credit facility of up to £15,000,000 (to provide PGL and its subsidiaries with working capital) and a subordinated senior term loan facility of £4,100,000 (also for the purpose of facilitating the Acquisition); and

1.1.1.2 the other Financing Documents (as defined in the Credit Agreement)

(all such monies and liabilities being together the "Secured Obligations");

1.1.2 guarantee to the Security Trustee the due and punctual payment by the Group Companies (excluding the Company) of all sums comprised in the Secured Obligations as and when they become due and payable; and

1.1.3 mortgage and charge by way of fixed and floating charges (with full title guarantee) in favour of the Security Trustee all its freehold and leasehold properties and all or substantially all of its other property, rights, assets and undertaking (present and future), all by way of security for the Secured Obligations;

1.2 agree that the execution, delivery and performance by the Company of, and the subsequent exercise of rights under, the Financing Documents (as defined in the Credit Agreement) is in the best interests of the Company and that the execution, delivery and performance by the Subsidiaries of, and the subsequent exercise of rights under, the Financing Documents (as defined in the Credit Agreement) is in the best interests of the Subsidiaries; and

1.3 approve the giving of all financial assistance (as defined for the purposes of Sections 151 to 158 of the Act) by the Company and the Subsidiaries involved in the execution of, and the subsequent exercise of rights under, the Guarantee and the Debenture.

2 THAT the Memorandum of Association of the Company be and is hereby altered as respects the objects of the Company by deleting paragraph 3(I) and inserting in its place the new paragraph 3(I) set out in the document attached hereto and marked "A".

3 THAT the Articles of Association of the Company be and are hereby altered by:

3.1 deleting, in Article 1.3, the words "23 to 25";

3.2 deleting Article 6 in its entirety, and substituting therefor the following:

"Regulation 24 of Table A shall be modified by adding at the end: "Provided that the Directors shall have no such discretion to refuse to register a transfer of shares where the proposed transferee is a mortgagee or chargee (or a trustee for a mortgagee or chargee) of the shares in question or a purchaser, transferee or other

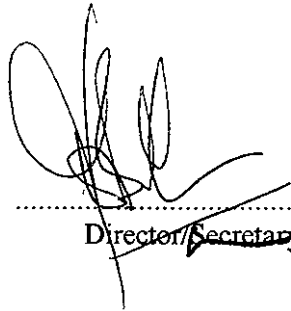
recipient of such shares from such mortgagee or chargee (or a trustee for such mortgagee or chargee).””;

3.3 deleting, in Article 10.1, the words “...and of whom one shall be an Investor for so long as any of the Investors may be a member”;

3.4 deleting Article 11.1, and substituting therefor the following:

“Only Ordinary Shares registered in the name of Mr R. F. Peacock or Mr H. Child or Peacock Group Limited (or any subsidiary undertaking of Peacock Group Limited) shall carry the right to attend and vote at general meetings of the Company. At any such general meeting, whether on a show of hands or on a poll, each such member present in person or by proxy shall have one vote for each Ordinary Share registered in his or its name.”; and

3.5 deleting Article 21 in its entirety.



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Director/Secretary

- 3(I) (a) To borrow or raise or secure the payment of money in such manner and upon such terms as the Company may think fit, and for any of such purposes to mortgage or charge the undertaking and all or any part of the property, assets and rights of the Company, both present and future, including uncalled capital, and to create and issue redeemable debentures or debenture stock, bonds or other obligations; and
- (b) With or without consideration, to guarantee, stand surety for, support or secure the performance of all or any of the obligations of any person, firm or company whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property, assets and rights of the Company, both present and future, including its uncalled capital or by both such methods; and, in particular, but without prejudice to the generality of the foregoing, with or without consideration to guarantee, support or secure whether by personal covenant or by any such mortgage, charge or lien as aforesaid or by both such methods the performance of all or any of the obligations (including the repayment or payment of the principal and premium and interest on any securities) of any company which is for the time being the Company's holding company (as defined by Section 736 of the Companies Act 1985) ("the Act") or another subsidiary (as defined by the said Section) of any such holding company or a subsidiary (as defined by the said Section) of the Company.